



Patients First: Principles of Consumer-Centered Medicaid Reform

Arise Citizens' Policy Project appreciates the opportunity to represent consumer interests on the Alabama Medicaid Advisory Commission. Toward that end, we have assembled a coalition of 15 advocacy organizations (see attached list) to provide consumer input on the reform process. We offer the following eight core principles of consumer-centered Medicaid reform, with a focus on Medicaid managed care:

- 1. Better health is the bottom line.** Meaningful Medicaid reform will address the central role that Alabamians' poor health outcomes play in the state's escalating health care costs. Increasing access to and utilization of preventive and primary care will reduce delayed interventions, preventable hospitalizations and chronic illness, which in turn will reduce costs. To set budgetary goals apart from defined health outcome goals could lead to cost-cutting that denies access to essential care.
- 2. Consumer engagement is essential.** Medicaid reform is more likely to ensure quality services that meet consumer needs if consumers and advocates are involved at all levels of planning and implementation. Meaningful consumer involvement reflects both the broad diversity of the patient population and the multiple stages of decision-making, monitoring and assessment.
- 3. Effective consumer outreach includes education and assistance.** Getting patients enrolled in Medicaid coverage is not enough. New enrollees need information, in the language they speak, about how plans work and assistance with navigating the system, as well as means to address consumer problems and resolve disputes. The state should work with trusted consumer and community organizations that know patients' needs to identify and plan these processes and develop the necessary resources.
- 4. Successful managed care treats the whole person.** Medicaid reform offers Alabama an unprecedented opportunity to reject the "bare bones" model in favor of more comprehensive services designed to improve the state's health outcomes, not just to meet minimum standards for federal funding. The state should go beyond federally required services to include prescription drugs, long-term care focused on home- and community-based services, behavioral health care, social services and supports, and transportation in a comprehensive plan.
- 5. Special needs require special accommodation.** Managed care that is well-suited to the average patient may not be adequate for individuals with complex health profiles, such as children with special health care needs, people with disabilities, frail elders, people with HIV/AIDS, and people with mental illness. Often, these individuals rely on particular care providers capable of delivering the full range of appropriate services (from weighing a patient in a wheelchair to intervening when the patient becomes ill), as well as complex drug regimens. Where the state has already demonstrated its ability to provide services in appropriate community-based settings (e.g., to persons with mental illness and intellectual disabilities), those supports should be strengthened and refined. Where the state has not provided appropriate community-based services (e.g., to prevent unnecessary nursing home admissions), supports must be created and expanded. Alabama should adopt a clear definition of Medical Necessity that promotes individualized services to help people with special needs achieve, as closely as possible, their own goals of inclusion, independence and productivity. Participation by such individuals in managed care should reflect risk-adjusted capitation rates and should be strictly voluntary until Medicaid demonstrates the system's capacity to meet their needs. Once enrolled, these patients must have the right to opt out if their plan fails to provide the necessary supports.

6. Expanding home- and community-based long-term care can improve outcomes and save money.

Managed care for individuals who depend on long-term services should employ proven care models based on consumer choice and self-direction. Program planning should allow time for consultation with stakeholders (including consumers, providers, suppliers and managed care organizations), for collaboration among state agencies in program design, and for working with CMS to obtain approval. Ultimately, the success of these efforts will depend on the availability of affordable accessible housing and qualified caregivers, which will require innovative coordination among public and private entities. Whenever possible, Medicaid should contract with community-based support services (e.g., those funded by the Ryan White Care Act for people living with HIV/AIDS). The Affordable Care Act offers strong incentives to expand home- and community-based care – for example, by combining “rebalancing” initiatives with the health home model that brings a 90 percent federal match.

7. Accessible managed care requires a robust provider network. To comply with federal law, Alabama should set standards for access ensuring that patients have a choice of providers (including those who speak their language and understand their cultural beliefs) and do not have to wait long or travel far for necessary care. Alabama should expand efforts to address our chronic health care provider shortage, particularly in rural areas. Low payments to providers are another obstacle to maintaining robust networks. Primary care provider payments should be as close to Medicare rates as possible (higher than Medicare for specialists) and adjusted for patient age and health status. Managed care plans should aggressively recruit into their provider networks all qualified practitioners and suppliers who currently serve Medicaid disability and high-risk populations.

8. Quality and accountability bring Medicaid reform full circle. To ensure that managed care in Alabama achieves the dual goals of improving health outcomes and lowering health care costs, the state must employ aggressive quality and accountability safeguards, such as the following:

- full use of oversight authority under federal and state law;
- full compliance with the Americans with Disabilities Act, the Rehabilitation Act of 1973, and the Olmstead decision;
- full compliance with federal and state sunshine and disclosure laws;
- financial incentives to reduce harmful or unnecessary care;
- independent ombudsman to maintain consumer hotline, address consumer complaints, identify systemic problems and propose solutions to the state, and issue a public report annually on the type and number of complaints;
- a robust appeals process that links consumers directly to Medicaid review staff;
- cultural competency training for all Medicaid and plan staff in contact with the public;
- clear strategies to assess and improve quality of managed care, including annual reporting of quality outcomes by race, ethnicity, gender and primary language;
- clear strategies to monitor and reduce multidimensional health disparities;
- smart, consumer-friendly cost containment strategies that do not cut eligibility, benefits or provider fees (options include reducing payment for preventable complications and readmissions, and expanding use of generic drugs);
- penalties for plans that skimp on services; and
- per-patient payment rates that adequately reflect the cost of providing comprehensive care to the population served, which will be higher for people with complex health needs.

We, the undersigned consumer advocacy organizations, endorse the guidelines set forth in “Patients First: Principles of Consumer-Centered Medicaid Reform”:

AARP Alabama

AIDS Alabama

Alabama Appleseed Center for Law & Justice, Inc.

Alabama Arise and Arise Citizens’ Policy Project

Alabama Association of Area Agencies on Aging

Alabama Council of Community Mental Health Boards

Alabama Disabilities Advocacy Program

The Arc of Alabama, Inc.

Community Action Association of Alabama

Family Voices of Alabama

Federation of Child Care Centers of Alabama (FOCAL)

Greater Birmingham Ministries

Independent Living Resources of Greater Birmingham

Legal Services Alabama

VOICES for Alabama’s Children